

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1761-01
Bill No.: HB 722
Subject: Sewers and Sewer Districts; Water Resources and Water Districts; Cities, Towns and Villages; Utilities
Type: Original
Date: April 12, 2011

Bill Summary: This proposal changes procedures for sewerage and water services.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|--|----------|----------|----------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|-------------------------------------|---|---|---|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| Local Government | (Unknown greater than \$100,000) | (Unknown greater than \$100,000) | (Unknown greater than \$100,000) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Little Blue Valley Sewer District, Department of Economic Development, Missouri Housing Development Commission, Office of Public Counsel** and the **Public Service Commission** assume that there is no fiscal impact from this proposal.

Officials from the **City of Kansas City** state this legislation will have a negative fiscal impact on the City of Kansas City, Missouri, but such impact is impossible to quantify. At a minimum the inability to charge a turn on/off fee will put 1.2 million in delinquent turn-on/off fees at risk.

Officials from the **Public Water Supply District No. 2 of St. Charles County (District)** state the District would stand to lose revenue from uncollected accounts. This legislation would expose the District to greater risk of non-payment and the inability to collect the first \$75 from each delinquent tenant/landlord account; potentially reducing revenue by thousands of dollars per year. For the last month of FY 2010, for example, the District would have lost potential collections from delinquent tenants/landlords of approximately \$1,175.00 (a rate of \$14,100 annually). The lost revenue could cause a subsequent increase in rates for all of the District's paying customers.

Oversight assumes with the number of water and sewer districts this proposal would effect; Oversight will show the impact as an unknown cost greater than \$100,000.

| <u>FISCAL IMPACT - State Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Local Government

FY 2012
 (10 Mo.)

FY 2013

FY 2014

LOCAL POLITICAL SUBDIVISIONS

Loss - sewer and water fees and
 uncollected accounts

(Unknown
greater than
\$100,000)

(Unknown
greater than
\$100,000)

(Unknown
greater than
\$100,000)

**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS**

(Unknown
greater than
\$100,000)

(Unknown
greater than
\$100,000)

(Unknown
greater than
\$100,000)

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, an owner is not liable for sums due for more than 90 days of service when an occupant is delinquent in the payment for water or sewer services. This bill limits the amount the owner is liable for to only those amounts exceeding \$75 that are incurred during the 90-day period.

No city, town, village, sewer district, or water supply district can terminate service to any residence on any Friday, Saturday, or Sunday unless service can be reinstated within 24 hours without emergency fees being charged. These entities cannot charge an owner a reconnection fee, penalty, or interest for a delinquent payment of an occupant unless and until more than 30 days have elapsed after the service was terminated and the owner has not paid the amount owed.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

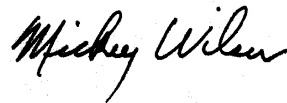
SOURCES OF INFORMATION

City of Kansas City
Little Blue Valley Sewer District
Public Water District No. 2 of St. Charles County
Department of Economic Development
-Missouri Housing Development Commission
-Office of Public Counsel
-Public Service Commission

NOT RESPONDING

Cities of: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Kirksville, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring, West Plains

Water and Sewer Districts of: Boone County Regional Sewer District, Cole County Public Water District, Franklin County Water District, Public Water District No. 3, Pulaski County Sewer District, St. Louis Metro Sewer District, Timber Creek Sewer



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Director
April 12, 2011